

## Message Text

CONFIDENTIAL

PAGE 01 STATE 237461

43

ORIGIN EB-07

INFO OCT-01 EUR-12 ISO-00 CAB-02 CIAE-00 COME-00 DODE-00

DOT-00 INR-07 NSAE-00 CIEP-01 FAA-00 INRE-00 /030 R

DRAFTED BY EB/AN:JBMAGNOR:BA

APPROVED BY EB/OA:MHSTYLES

EUR/NE:NACHILLES

CAB:ALARGAY (INFO)

----- 103190

O 241627Z SEP 76

FM SECSTATE WASHDC

TO AMEMBASSY LONDON IMMEDIATE

C O N F I D E N T I A L STATE 237461

E.O. 11652: GDS

TAGS: EAIR, UK

SUBJECT: CIVAIR: US-UK AVIATION RELATION - NEW BRITISH  
UNILATERAL ACTION

REF: MAGNOR/CLAPPIN TELECON 9/24

1. AS EMBASSY UNDOUBTEDLY AWARE, UK DOT NOTIFIED PAN AM THAT UNLESS PAN AM PRESENTS A PERSUASIVE CASE TO CONTRARY BY SEPTEMBER 28, UK DOT WILL AMEND PAN AM'S UK OPERATING AUTHORITY SO AS TO PLACE RESTRICTIONS ON CHANGE OF GAUGE (I.E., B-747 TO B-707) AND FIFTH FREEDOM TRAFFIC ON PAN AM FLIGHTS BETWEEN SYDNEY AND HONG KONG. AS EMBASSY WILL RECALL, BRITISH INFORMED US IN LATE SPRING THAT THEY OBJECTED TO CHANGE OF GAUGE IN THIRD COUNTRIES (SPECIFICALLY, SYDNEY AND TOKYO) AND TO EXTENT OF PAN AM'S FIFTH FREEDOM CARRIAGE ON SYDNEY-HONG KONG SEGMENT OF US ROUTE 7. WE RESPONDED THAT CHANGE OF GAUGE IN THIRD COUNTRIES OUTSIDE SCOPE OF EXISTING BILATERAL AGREEMENT AND WITH RESPECT TO FIFTH FREEDOM ON ROUTE 7, THAT PAN AM WOULD REDUCE FIFTH FREEDOM TRAFFIC TO MORE REASONABLE LEVEL  
CONFIDENTIAL

CONFIDENTIAL

PAGE 02 STATE 237461

AFTER OCTOBER 1 AND WOULD TERMINATE SYDNEY-HONG KONG

SERVICE ENTIRELY AFTER FEBRUARY 1, 1977. WE HAD THOUGHT THE ISSUE OF PAN AM OPERATIONS BETWEEN SYDNEY AND HONG KONG HAD BEEN RESOLVED ON BASIS OF US CONCESSIONS

AND WERE SOMEWHAT SURPRISED AT BRITISH ORDER OF SEPTEMBER 23 REQUIRING THE CESSATION OF CHANGE OF GAUGE AND THE TOTAL ELIMINATION OF FIFTH FREEDOM TRAFFIC.

2. THE SERIOUS EFFECT ON PAN AM'S PACIFIC OPERATIONS OF THE ABRUPT CHANGE EFFECTED BY THE LATEST BRITISH RESTRICTIONS IS OBVIOUS. MOREOVER, THE ISSUANCE OF THE BRITISH ORDER CAME TWO DAYS BEFORE THE LONDON CONSULTATIONS ON THE CHICAGO-LONDON AND MIAMI-LONDON CAPACITY PROBLEMS, WHICH THE ACTING SECRETARY AND AMBASSADOR RAMSBOTHAM AGREED TO ON SEPTEMBER 21. (FYI - OUR DISCUSSIONS WITH NATIONAL AIRLINES AND TWA SUGGEST THERE IS A REASONABLE CHANCE THE SEPTEMBER 25 CONSULTATIONS WILL ACHIEVE A SUCCESSFUL RESOLUTION.) NOW, EVEN IF THE CONSULTATIONS SHOULD BE SUCCESSFUL, THE BRITISH HAVE CREATED ANOTHER ISSUE WHICH CAN ONLY CREATE FURTHER FRICTION AND HAVE A NEGATIVE EFFECT ON THE BERMUDA RENEGOTIATION. IT IS PARTICULARLY PROVOCATIVE OF THE BRITISH TO PERCIPITATE A CONFRONTATION OF THE SYDNEY-HONG KONG PROBLEM BECAUSE, AS INDICATED IN PARA 1, ABOVE, THEY ARE AWARE OF OUR WILLINGNESS TO RESOLVE THE ISSUE BY FEBRUARY 1.

3. THE BRITISH EMBASSY WAS APPARENTLY NOT INFORMED IN ADVANCE THAT THE UK DOT ORDER ON SYDNEY-HONG KONG WAS TO BE ISSUED. THERE ARE INDICATIONS THE EMBASSY IS NOT PLEASED WITH THE DEVELOPMENT BECAUSE IT CLEARLY INJECTS A NEW ELEMENT IN THE AVIATION DISPUTE FOLLOWING AMBASSADOR RAMSBOTHAM'S EFFORTS TO RESOLVE IT.

4. WE PLAN A HIGH-LEVEL EXPRESSION OF DISAPPOINTMENT TO BRITISH EMBASSY SEPTEMBER 24 AND BELIEVE A SIMILAR, HIGH-LEVEL APPROACH, PREFERABLY BY AMBASSADOR ARMSTRONG, IN LONDON BEFORE SEPTEMBER 25 CONSULTATION IS IMPORTANT. EMBASSY'S APPROACH SHOULD DRAW AS APPROPRIATE ON PARA 1-2 BACKGROUND AND FOLLOWING SUGGESTED TALKING POINTS:  
CONFIDENTIAL

CONFIDENTIAL

PAGE 03     STATE 237461

A) THE DEPARTMENT HAS HAD DISCUSSIONS WITH NATIONAL AND TWA, AND WE BELIEVE THAT THERE IS A REASONABLE CHANCE THAT THE MIAMI-LONDON AND CHICAGO-LONDON CAPACITY PROBLEMS CAN BE RESOLVED DURING THE SEPTEMBER 25 DISCUSSIONS.

B) WE ARE TRYING HARD TO SOLVE THIS PROBLEM BECAUSE OF

THE IMPORTANCE WE ATTACH TO MAINTAINING A POSITIVE  
ATMOSPHERE FOR RENEGOTIATION OF THE BERMUDA AGREEMENT.

C) WE WERE DISMAYED TO LEARN THAT TWO DAYS AFTER  
CONSTRUCTIVE DISCUSSIONS BETWEEN ACTING SECRETARY

ROBINSON AND AMBASSADOR RAMSBOTHAM AND TWO DAYS BEFORE  
THE SEPTEMBER 25 DISCUSSIONS IN LONDON THAT WE AGREED  
UPON, BRITISH AVIATION AUTHORITIES THREATENED UNILATERAL  
ACTION ON ANOTHER ISSUE EFFECTIVE OCTOBER 1.

D) THERE IS NO REASON FOR THE BRITISH AUTHORITIES TO  
ATTEMPT TO SOLVE THIS NEW ISSUE BY UNILATERAL ACTION.  
WE HAD TOLD THEM IN JULY, ONE MONTH AFTER RECEIPT OF  
THE BRITISH COMPLAINT, THAT WE WOULD ADJUST A PART OF  
PAN AM'S OPERATIONS ON OCTOBER 1 AND THE BALANCE ON  
FEBRUARY 1, 1977 IN SUCH A WAY AS TO FULLY MEET BRITISH  
COMPLAINTS.

E) WE URGE THAT THE SEPTEMBER 23 NOTICE BE WITHDRAWN  
AND/OR NO ACTION BE TAKEN TO IMPLEMENT IT.

ROBINSON

CONFIDENTIAL

NNN

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** AIR ROUTES, AVIATION AGREEMENTS, NEGOTIATIONS  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 24 SEP 1976  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** coburnhl  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1976STATE237461  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** JBMAGNOR:BA  
**Enclosure:** n/a  
**Executive Order:** GS  
**Errors:** N/A  
**Film Number:** D760361-0476  
**From:** STATE  
**Handling Restrictions:** n/a  
**Image Path:**  
**ISecure:** 1  
**Legacy Key:** link1976/newtext/t19760921/aaaaasdm.tel  
**Line Count:** 138  
**Locator:** TEXT ON-LINE, ON MICROFILM  
**Office:** ORIGIN EB  
**Original Classification:** CONFIDENTIAL  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 3  
**Previous Channel Indicators:** n/a  
**Previous Classification:** CONFIDENTIAL  
**Previous Handling Restrictions:** n/a  
**Reference:** n/a  
**Review Action:** RELEASED, APPROVED  
**Review Authority:** coburnhl  
**Review Comment:** n/a  
**Review Content Flags:**  
**Review Date:** 13 MAY 2004  
**Review Event:**  
**Review Exemptions:** n/a  
**Review History:** RELEASED <13 MAY 2004 by GarlanWA>; APPROVED <13 SEP 2004 by coburnhl>  
**Review Markings:**

Margaret P. Grafeld  
Declassified/Released  
US Department of State  
EO Systematic Review  
04 MAY 2006

**Review Media Identifier:**  
**Review Referrals:** n/a  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** CIVAIR: US-UK AVIATION RELATION - NEW BRITISH UNILATERAL ACTION  
**TAGS:** EAIR, UK, US, PANAM  
**To:** LONDON  
**Type:** TE  
**Markings:** Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 04 MAY 2006